

February 3, 2020

Chairman Robert Taub,  
Vice Chairman Michael M. Kubayanda  
Commissioner Mark Acton  
Commissioner Ann C. Fisher  
Commissioner Ashley E. Poling  
Postal Regulatory  
Commission  
901 New York Avenue, NW, Suite  
200 Washington, DC 20268

RE: Docket No. RM2017-3

Submitted electronically

Dear Commissioners:

The National Rural Electric Cooperative Association submits these comments in response to the request by the Postal Regulatory Commission for public input on Docket No. RM2017-3.

The National Rural Electric Cooperative Association (NRECA) is the national trade association representing nearly 900 local electric cooperatives and other rural electric utilities. America's electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry. From growing regions to remote farming communities, electric cooperatives power 1 in 8 Americans and serve as engines of economic development for 42 million Americans. Importantly, electric co-ops serve 92% of the nation's persistent poverty counties.

Electric cooperatives operate at cost and without a profit incentive. NRECA's member cooperatives include 62 generation and transmission (G&T) cooperatives and 831 distribution cooperatives. All but three of these co-ops are classified as small businesses. The G&Ts generate and transmit power to distribution cooperatives that provide it to the end of line co-op consumer-members. Collectively, cooperative G&Ts generate and transmit power to nearly 80 percent of the distribution cooperatives in the nation. The remaining distribution cooperatives receive power directly from other generation sources within the electric utility sector. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

NRECA joins the Alliance of Nonprofit Mailers in urging you to reconsider your proposal to increase postage rates by a total of up to 40 percent or more over the next five years. The proposal to increase postage costs will not reform the United States Postal Service and will have a severe impact on NRECA's members.

As not-for-profit, consumer-owned and consumer-governed organizations, electric cooperatives utilize mail for many reasons, including distributing cooperative magazines to member-consumers in 42 states and sending bills to members using First-Class Mail. The magazines are

read by approximately 36 million people. Cooperative mailings, including the magazines and bill inserts, provide members with critical information about their cooperatives, including their cooperatives' financial condition, how they can participate in electing cooperative directors to represent them on the cooperatives' boards of directors, and how they can participate in cooperative meetings. Those mailings also include information that can help consumers use energy more wisely, participate in cooperative energy management programs, and otherwise save money on their electric service. And, because cooperatives are not-for-profit and consumer-owned, cooperatives will be forced to pass on to those member-consumers the full cost of any postage rate increases. A 40% or greater increase would have a drastic impact on their mission and their members.

We respectfully request that you reconsider these cost increases. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Morrison". The signature is fluid and cursive, with the first name "Jay" being more prominent than the last name "Morrison".

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